

Attracting Investment

Parks and open space

**create a high quality of life
that attracts tax-paying businesses
and residents to communities.**



SUSAN LAPIDES

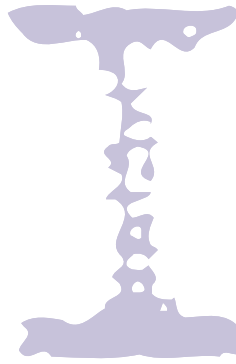
Providence, Rhode Island, plans a system of trails and greenways to bring growth and investment to the city.

Open space pays . . .

In 1967, Boulder, Colorado, became the first U.S. city to pass a dedicated sales tax to fund the preservation of open space. Today Boulder enjoys an open space treasury of more than 40,000 acres, much of it in a ring of greenbelts that offer uncluttered views of the city's signature Rocky Mountain backdrop.¹⁹

As early as the 1970s, it was already clear that Boulder residents would pay a premium to live near these open spaces, with their trails and stream corridors, and that the resulting increase in taxes would more than pay for open space protection. In one neighborhood, total property values increased by \$5.4 million after the greenbelt was built, generating \$500,000 per year in additional property taxes—enough to recoup the greenway's \$1.5 million purchase price in only three years.²⁰

Boulder's experience confirms what many communities have discovered: open space conservation is a one-time investment that can boost property values and swell tax coffers long after the land is paid for. And in survey after survey home buyers identify nearby open space and trails as among the top features in choosing a home.²¹



In the early 1980s, Chattanooga, Tennessee, was suffering a deep economic recession. Eighteen thousand manufacturing jobs had been lost due to factory closure and relocation. Surviving factories, burdened with outdated equipment, pumped out a smog so thick that residents sometimes drove with their lights on in the middle of the day.

Faced with rising unemployment and crime, polluted air, and a deteriorating quality of life, middle-class residents began to leave the city, taking with them the tax base that had supported police, sanitation, road repair, and other municipal services. Departing residents explained that they were moving to the cleaner, greener, and safer suburbs. To lure them back, local government, businesses, and community groups decided to improve Chattanooga's quality of life by cleaning the air, acquiring open space, and constructing parks and trails.

Largely as a result of these efforts, Chattanooga today is alive with economic activity. Where once there were rusting factories, there are now green open spaces surrounded by a bustling commercial and residential district. Where the Tennessee River sweeps through the city, abandoned warehouses have given way to an eight-mile greenway, the centerpiece of a planned, 75-mile network of greenways and trails. A former automobile bridge across the river has been dedicated to pedestrian use, sparking economic revival on both sides of the river. Downtown, an IMAX theater now caters to Chattanooga residents and tourists, and a new Tennessee RiverPark surrounds the new Tennessee Aquarium, which has injected an estimated \$500 million into the local economy since opening in 1992.

In all, the environmentally progressive redevelopment of Chattanooga's downtown riverfront involved \$356 million in public and private investment. In the eight years between 1988 and 1996 the number of businesses and full-time jobs in the district more than doubled, and assessed property values went up over \$11 million, an increase of 127.5 percent. Over the same period, the annual combined city and county property tax revenues went up \$592,000, an increase of 99 percent.¹⁸

"We certainly have had a revival, and the city takes pride in the fact that we have received a lot of attention for this turn-



BILLY WEEKS

Chattanooga, Tennessee, is fueling an economic revival with parks and greenways. This pedestrian-only bridge crosses the Tennessee River.



BILLY WEEKS

David Crockett.

Making the city more pedestrian-friendly is really what's bringing it back to life.

—DAVID CROCKETT
Chairman, Chattanooga City Council

around,” says David Crockett, chairman of the Chattanooga City Council and president of the Chattanooga Institute, which focuses on new ways of building communities. “There is a feeling not that we’ve arrived, but that we are on the right path—and ‘path’ is a good word for it,” Crockett says, “since our progress is closely linked to paths. People may point to some rightly celebrated projects, like the aquarium or the IMAX theater, but making the city more pedestrian-friendly is really what’s bringing it back to life.”

Ten years ago, Crockett found himself arguing for the importance of parks and open space to the city’s economic future. “People asked why we should spend money on walking paths and parks when we have schools that need money and roads to fix and we need to create more jobs. But now we have moved beyond thinking of those as tradeoffs. It is understood that we invest in all of those things. There is consensus that we will continue to add more parks, open space, and walking areas to the city.” ▶

Give me land, lots of land

- Corporate CEOs say quality of life for employees is the third-most important factor in locating a business, behind only access to domestic markets and availability of skilled labor.²⁹
- Owners of small companies ranked recreation/parks/open space as the highest priority in choosing a new location for their business.³⁰
- Seventy firms that moved to or expanded within Arizona chose the state for its “outdoor lifestyle and recreation opportunities.”³¹

...and pays

- **SALEM, OR:** Land adjacent to a greenbelt was found to be worth about \$1,200 an acre more than land only 1,000 feet away.²²
- **OAKLAND, CA:** A three-mile greenbelt around Lake Merritt, near the city center, was found to add \$41 million to surrounding property values.²³
- **FRONT ROYAL, VA:** A developer who donated a 50-foot-wide, seven-mile-long easement along a popular trail sold all 50 parcels bordering the trail in only four months.²⁴
- **SEATTLE, WA:** Homes bordering the 12-mile Burke Gilman trail sold for 6 percent more than other houses of comparable size.²⁵
- **DENVER, CO:** Between 1980 and 1990, the percentage of Denver residents who said they would pay more to live near a greenbelt or park rose from 16 percent to 48 percent.²⁶
- **DAYTON, OH:** Five percent of the selling price of homes near the Cox Arboretum and park was attributable to the proximity of that open space.²⁷



WILLIAM POOLE

- **SAN FRANCISCO, CA:** Golden Gate Park increases the value of nearby property by an amount of from \$500 million to \$1 billion, in the process generating \$5-\$10 million in annual property taxes.²⁸

Golden Gate Park,
San Francisco,
California.

Ask Bank of America

In 1996 the Bank of America released “Beyond Sprawl: New Patterns of Growth to Fit the New California,” a report about the effects of sprawl on California’s economy. B of A had sponsored the report in partnership with the California Resources Agency, the Greenbelt Alliance, and the Low Income Housing Fund, but it was the involvement of the state’s largest bank that lent the report particular credibility with businesspeople.

“Unchecked sprawl has shifted from an engine of California’s growth to a force that threatens to inhibit growth and degrade the quality of our life,” the report concluded. Among other costs, the report singled out the loss of farmland, the expense of supporting highways and other infrastructure in far-flung suburbs, and damage to the environment due to development pressure on remaining open land.³⁴

In 1998 a report by the Center for the Continuing Study of the California Economy confirmed the Bank of America findings. “Land Use and the California Economy: Principle for Prosperity and Quality of Life” highlighted planned growth, open space preservation and higher-density development as ways of preserving quality of life to attract businesses and workers. “A high quality of life is not just an amenity for California residents,” the report states. “It is increasingly a key determinant in attracting workers in California’s leading industries.”³⁵

Critics warned that Portland, Oregon’s urban growth boundary would stifle the economy. But the opposite has occurred.



PHOTO: PHIL SCHERMEISTER

► Quality of Life: The New Engine of Economic Growth

The revival of Chattanooga illustrates the new role of parks, open space, and quality of life in attracting residents, businesses, and economic activity to communities. The riverfront location that once drew factories to the city now makes its economic contribution by attracting tourists and new residents.

As the nation moves toward a mixed economy based on services, light industry, consumer goods, and new technologies, businesses and their employees are no longer tied to traditional industrial centers. Today, businesses are free to shop for an appealing location, and they clearly prefer communities with a high quality of life, including an abundance of open space, nearby recreation, and pedestrian-friendly neighborhoods.

Consider the case of Portland, Oregon, which in 1980 established an urban growth boundary that strictly limited development at the city’s fringe. Critics warned that the boundary would stifle development and damage the region’s economy. But instead, the number of jobs in the metropolitan area has increased by 57 percent. High-tech companies and industries sprang up inside the urban boundary. Hewlett-Packard, Intel, and Hyundai were among those companies attracted by forests, orchards, and creeks on the outskirts of a livable urban area. According to the *New York Times*, employers wanted to attract “educated workers who were as interested in the quality of life as a paycheck.”

“This is where we are headed worldwide,” maintained an Intel spokesman. “Companies that can locate anywhere they want will go where they can attract good people in good places.”³²

Open Space for Quality of Life

Across the nation, parks and protected open space are increasingly recognized as vital to the quality of life that fuels economic health. For a 1995 poll, researchers from the Regional Plan Association and the Quinnipac College Polling Institute queried nearly 2,000 people from around the country about quality of life. The major elements cited as crucial for a satisfactory quality of life were low crime with safe streets and access to greenery and open space.³³

Maintaining a clear edge between town and country is the most simple and critical step counties and cities can take to retain the rural character that has been the source of our wealth.

—SIERRA BUSINESS COUNCIL

Real estate industry analysts confirm quality of life as a determining factor in real estate values and economic vitality. One 1998 industry report calls livability “a litmus test for determining the strength of the real estate investment market . . . If people want to live in a place, companies, stores, hotels, and apartments will follow.”³⁶

A 1996 report by Arthur Andersen consulting company found that mid- and high-level executives increasingly choose to work in locations that offer a high quality of life outside the workplace. Availability of quality education is of prime importance, Andersen reports. But not far behind comes recreation, along with cultural institutions and a safe environment. Proximity to open space is seen as an important benefit.³⁷

A survey of businesses in California’s Sierra Nevada Mountains cited nearby wildlands, open landscapes, and small-town charm as among the significant advantages of doing business there. “The quality of life in this region drives our economic engine,” says Tracy Grubbs, director of special projects for the 450-member Sierra Business Council. The council’s 1997 report concluded that “as the Sierra Nevada’s population grows, maintaining a clear edge between town and country is the most simple and critical step counties and cities can take to retain the rural character that has been the source of our wealth.”³⁸

“There are businesses that have decided to locate in communities because of the presence of a greenways system,” says Chuck Flink, president of Greenways, Inc., which helps communities plan these long, skinny parks. Flink points to Reichold Chemical Company, which brought 500 jobs to Research Triangle Park in Raleigh-Durham, North Carolina, and to Caterpillar, Inc., which located in Morgantown, North Carolina, after a 20-city search. “Both companies cited the presence of greenways as decisive factors in the location decision,” Flink says.

Nationwide, easy access to parks and open space has become a new measure of community wealth—an important way to attract businesses and residents by guaranteeing both quality of life and economic health. ■



The Sierra Business Council's Tracy Grubbs.



SEAN ARBABI

The Sierra village of Downieville, California is a popular tourist destination.

Voters say, just buy it!

More and more state, county, and municipal voters are deciding that the surest—and often the fairest—way to protect open space is to just buy it. Purchasing land or development rights as a way of guiding growth avoids expensive regulatory and legal battles while reimbursing landowners for the economic and other benefits the open space will bring the community.

In November 1998, voters nationwide faced 240 state and local ballot measures concerning land conservation, parks, and smarter growth—and approved 72 percent of them. Many of these were funding measures that will trigger, directly or indirectly, more than \$7.5 billion in state and local funding for land acquisition, easement purchase, park improvements, and protection of historic resources.

Such successes show that voters are coming to understand that conservation and open space are investments, not costs. Recent ballot measures seeking funds for conservation and open space have received the highest rates of approval among ballot measures seeking approval for new capital expenditures.³⁹